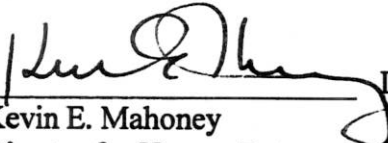


U.S. DEPARTMENT OF COMMERCE

Financial Literacy Plan



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Approved by:  Date: 1/27/14
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Background

In compliance with the Thrift Savings Plan (TSP) Open Elections Act of 2004 (Public Law 108-469), the Office of Personnel Management (OPM) issued a directive that each agency must develop a financial literacy and education plan. This plan describes the Department of Commerce's (DOC) efforts to improve the financial literacy and retirement readiness of all of its employees. The educational and consultative activities will be directed at helping employees better understand the importance of savings, retirement planning, the development of an investment strategy, and a healthy lifestyle.

OPM recommends taking a broad holistic approach to retirement education. This approach not only focuses on financial preparation, but also includes a health component that educates employees on staying healthy as long as possible and understanding the aging process. In developing this plan, the DOC will create learning opportunities for employees of all ages and stages of their Federal careers to assist them in understanding Federal benefits; achieving financial security pre- and post-retirement; and helping them attain and keep a healthy, well-balanced lifestyle. Federal benefits and financial planning will be essential components while incorporating health information. In creating this plan, the DOC intends to educate and encourage its employees to make sound financial decisions related to retirement, to ensure that information is distributed to all offices worldwide, and to provide health and wellness information and resources.

Current Activities

Currently, the Department of Commerce Human Resources Operations Center (DOCHROC) offers a 2-day training seminar for mid-career employees and retirement-eligible employees at DOC's Headquarters in Washington, D.C. The training seminar is offered to its serviced bureau clients within the DOC, including: the Bureau of Industry and Security (BIS), the Economic Development Administration (EDA), the International Trade Administration (ITA), the Minority Business Development Agency (MBDA), the National Telecommunications and Information Administration (NTIA), and the Office of the Secretary (OS). This seminar is provided twice a year and has a very high participation rate. It covers topics such as disability retirement, Social Security benefits, spousal and survivor benefits, the best date to retire, deposits and re-deposits. The Office of Compensation and Benefits (OCB) within DOCHROC also offers open forums to its serviced bureaus in which employees attend and are allowed to ask any benefits-related questions.

The National Institute of Standards and Technology (NIST) currently offers a wide range of seminars and expos including a health insurance expo twice each month, an annual Federal benefits fair, and special seminars on Social Security, the TSP, Federal Long Term Care, Federal life insurance, and flexible spending accounts. NIST also has a military service outreach presentation that is given periodically. In addition, NIST currently offers quarterly retirement planning seminars, in a 2-day training format. During 2012, a total of 93 employees attended. During 2013, these seminars were attended by 67 employees. To supplement its course offering, NIST maintains a Retirement Financial Education website, which contains general and specific

career-related information on topics such as: networking, health, and wellness. For employees new to NIST, this bureau provides benefits and retirement-related information during the new employee orientation session. A welcoming outreach letter is also provided to new employees that advises them of the benefits program and various benefits options. During the 2014 fiscal year, NIST plans on contacting employees with a record of prior military service to inform them of the option of purchasing this service credit into the Civil Service through a deposit payment.

The National Oceanic and Atmospheric Administration (NOAA) has several divisions within their Workforce Management Office that support retirement planning, education, and counseling. The Benefits and Retirement Division sponsors monthly Health Benefit Service Days, an annual Benefits Fair, and quarterly training events focused on Social Security benefits and the TSP. The Workplace Resources and Enhancement Division sponsors Retirement Simulation Workshops that are 3 hours in length and are typically held every other month. These workshops are conducted either on-site or via webinar and focus on the topics of retirement savings and investment as well as retirement goal-setting and planning. Workshop participants are then offered the opportunity to meet with financial counselors for two one-on-one individual counseling sessions. During fiscal year 2013, more than 700 employees participated in the workshops and 334 employees took advantage of the individual counseling sessions. NOAA's Training Division hosts quarterly group pre-retirement information seminars, primarily directed towards individuals within 10 years of retirement. A total of 106 employees participated in the training, which covered topics such as: retirement pension benefits under the Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS), Social Security benefits, the TSP, insurance available to retirees, common retirement transition issues, and tax and estate planning. NOAA's Employee Assistance Program supplements the activities of the other divisions by providing a monthly newsletter and a webinar on various financial, health, and wellness issues. In addition, the NOAA Work Life Program offers a variety of webinars on physical and emotional wellness issues, such as how to balance productive work with a satisfying personal life, stress reduction, and retirement planning. Over 2,200 employees have registered for these webinars.

The U.S. Patent and Trademark Office (USPTO) currently offers group seminars targeted at three different audiences: early career, mid-career, and pre-retirement (late career). New employee orientation sessions also include benefits and retirement-related information, as well as a special 2-hour session dedicated to discussing the TSP as well as the Civil Service retirement plans. These seminars touch on certain topics, primarily the Civil Service retirement pension system. The seminars are often well-attended: one recent seminar had 362 employee participants. To evaluate the effectiveness of training, the USPTO uses most of the core concepts from Donald Kirkpatrick's "Four Levels of Learning Evaluation" model, which examines reaction, learning, behavior, and results. In addition to these seminars, the USPTO offers an annual health insurance fair and wellness expo, which includes participation from financial advisers. The USPTO also periodically conducts seminars on other topics, such as Social Security, long-term care, flexible spending accounts, and Employee Assistance Program (EAP) lectures on emotional issues related to retirement. A monthly "brown bag lunch" format is also used to communicate benefits-related information, such as on the topics of retirement and retirement planning. Lastly, the USPTO recently created a special wellness website that includes

information on financial wellness as well as health-related wellness. To supplement these efforts, the USPTO sponsors Life Care, a service that provides lectures on financial and retirement planning, service referrals, and special online tools.

Future Directions

Servicing human resources offices (SHROs) within the DOC are always evaluating possible changes in delivery strategies that might improve customer service. Some offices within the DOC, for example, have decided to change the frequency of their fairs, brown-bag lunch seminars, or benefits expos. Other offices have created forums to address the Thrift Savings Plan as well as the Social Security pension system, sometimes through the use of outside speakers. A few offices have examined blending information and resources related to health, wellness, psychological well-being, and the transition into retirement. Generally these functions are coordinated with the existing activities and responsibilities of the various Health Units, Fitness Centers, and contractors who provide Employee Assistance Program (EAP) services so there is no duplication of efforts or costs. When developing new outreach methods or curricula, many offices have recognized that military veterans require additional counseling to help ensure that they have the choice of making a military service deposit for regular Armed Forces duty that is not already the basis of an existing military retirement pension.

The DOC currently has staff within its Office of Human Resources Management (OHRM), Office of Policy and Programs (OPP), available to assist SHROs throughout the DOC with information, compliance advice, and problem-solving. The OPP is examining the feasibility of writing a Departmental-wide general handbook or operating guide on retirement benefits. This office also creates and maintains Internet websites dedicated to informing both employees as well as human resources practitioners on topics and changes in the benefits areas of retirement and insurance.

Guidelines for Servicing Human Resources Offices

The DOC has developed the below guidelines to help SHROs deliver a standard threshold of services to its employees. However, the five SHROs have varying degrees of budgetary funding available and varying levels of staff expertise. In general, however, the SHROs conceptualize and package their educational resources by grouping target audiences by their length of tenure with the Federal Government.

Early Career Employees

“Early career employees” are defined for the purpose of these guidelines as those who have 25 or more years of service to perform before planned retirement (as measured by subtracting the employee’s current age from the age of first eligibility for optional retirement). Typically this means 5 years or less of creditable Federal service.

Upon initial hire or transfer into the DOC, all early career employees will attend a mandatory benefits session provided by one or more qualified benefits specialist(s) from their SHRO, within

the first pay period of employment at the DOC. This goal can be satisfied by the incorporation of benefits training information within new employee orientation seminars. In addition, the OHRM, OPP is examining the feasibility of creating a self-paced training module, using its Intranet-based Commerce Learning Center (CLC), or other types of technologies.

Although some SHROs already provide some benefits information at new employee orientation sessions, more in-depth information and guidance will be provided, depending on scheduling constraints and the duration of those sessions. Topics to be addressed include: contributions to the TSP, retirement pension plan contributions by the employee and the Government, and assistance in creating a financial plan utilizing available planning tools. This information will stress the importance of contributing early to the TSP, as opposed to postponing contributions or failing to contribute to the TSP. Employees will also receive detailed information on the different types of TSP funds available, as well as the Roth TSP option. Employees will be advised to create a financial plan to help ensure adequate savings at the time of retirement. In addition, the Federal Long-Term Care Insurance program is another topic area that employees will be made aware of during these sessions.

Since some DOC employees have concurrent or prior military service (either through active duty with the Department of Defense, or with a state's National Guard), as part of new employee orientation, an appropriate specialist will be available to review DD-214s and copies of past military orders to determine eligibility to make military deposits in order to buy his/her service years into the Federal pension system. Individual follow-up counseling session opportunities will also be provided to new employees in this situation if needed, so that interest charges on military deposits can be minimized.

The DOC recognizes that employees who enter Federal service at a later age will have less time to invest in the TSP, compared to younger employees. Such employees will be made aware that they should develop an appropriate investment strategy, balancing risk and return. Benefits specialists typically use computer software to run retirement pension annuity scenarios that can help such decision-making. Benefits specialists are also qualified to review an employee's official personnel folder (OPF) to help determine potential, but unpaid, creditable service deposits, as well as evidence of prior refunds that may require one or more re-deposits. These types of activities give an employee a much more complete picture of their retirement earnings standing. Employees will also be educated on using the self-service retirement tools, such as the Federal Ballpark Estimate Calculator offered by OPM, to estimate retirement income under various scenarios. New employee orientation sessions, as well as special benefits seminars for new employees, will also mention that there are private sector resources available, such as state-licensed Certified Financial Planners or Certified Public Accountants, who can be hired to answer financial planning or strategy questions. Such individuals have the correct training, license, and certifications to discuss non-Federal benefits products, such as individual retirement accounts, 401(k)s, common and preferred stocks, U.S. Treasury instruments, and bonds – all of which can often serve to diversify and enhance an individual's retirement financial portfolio. Benefit specialists will not provide in-depth information on these topics, but will make new employees aware that this type of information is available through external resources.

There are some insurance programs, such as long-term care, flexible spending accounts for medical or dependent care expenses, and the Federal life insurance program, that either favor or require new employees (particularly those new to the Federal Government) to make enrollment elections. Benefits specialists will continue to provide group and/or individual counseling to help employees make the most appropriate elections given their personal situation and preferences.

Mid-Career Employees

Mid-career employees can be defined as those who expect to work between 10 and 24 years of Federal work before planned retirement. Typically this means more than 5 years of completed Federal service, up to 20 years of completed Federal service. At this career stage, employees may be balancing family financial responsibilities (such as a mortgage and/or child care expenses) or helping aging parents, as well as planning for future retirement.

Employees in the mid-career phase can often utilize online tools provided by OPM or may seek out the opportunity to individually meet with a qualified benefits specialist to analyze his/her current financial plan, or make modifications based upon new calculations or financial needs. During these sessions, an emphasis is placed upon reviewing personnel records to ensure that entrance-on-duty dates, military information, and other employment information on file are accurate. Mid-career employees also receive guidance on such topics as: optional retirement and creditable service deposits and re-deposits. Because such employees may be balancing child care and/or healthcare expenses, benefits specialists will also advise them of their options to participate in the Flexible Spending Account (FSA) program, as well as the Long-Term Care Insurance program. Other benefits topics relevant for individual counseling sessions include future Social Security benefits as well as participation as a pensioner in the Federal group life insurance and health insurance plans. Carrying health insurance and life insurance enrollment into retirement is an appropriate topic that requires some planning, since program participation rules require 5 years of prior consistent enrollment to maintain eligibility into retirement.

Late-Career (Retirement-Ready) Employees

Late-career employees are defined as those employees with less than 10 years before planned retirement. Typically such employees have completed at least 20 years of creditable Federal service. At this later career stage, employees will be encouraged to conduct a final analysis of their existing financial plans to ensure that retirement and post-retirement goals can be met. Benefits specialists provide an important service by assembling information to aid in determining the most advantageous retirement date. SHROs offer 2-day group seminars twice each year designed for these retirement-ready employees. Topics at this type of seminar include: Federal insurance programs available in retirement (and their enrollment requirements), Social Security benefits, Civil Service retirement pension benefits, Medicare (Parts A, B, C, and D). Other topics, such as tax or estate planning, may be included when instructors with the correct licenses and certifications are available.

Health and Wellness

Health and wellness challenges play an important role in the retirement decision, as well as the quality of life available during retirement. Some retirees struggle financially because of ongoing health issues. To address these types of situations, SHROs will review the current activities provided by their Health Units, Fitness Centers, and EAP providers to determine if there are additional outreach activities that should be done to improve the communication of health and wellness information. For example, many EAP providers currently offer periodic seminars to provide information on stress management, diet and exercise, and participation in hobbies or volunteer activities.

Education Delivery

The DOC currently has a total of 45,509 employees (as of December 1, 2013). A total of 24,970 employees (54.9 percent) have a duty station within the Washington, DC metropolitan area (i.e., Maryland, District of Columbia, Virginia, or West Virginia). The remaining workforce is stationed in regional or field offices. The DOC's headquarters staff makes up approximately 7 percent of the workforce.

Communication about the various available resources is a key component to retirement education delivery. All employees must be aware of the available resources and the importance of the topics covered. In addition, having multiple methods of receiving information and guidance is equally important. Email broadcasts, or other types of announcements sent via e-mail, will be used to communicate information.

Learning opportunities that are convenient and accessible are critical to employees located at bureau or Departmental headquarters, regional offices, and field offices. To maximize learning opportunities, the DOC will examine the development of various self-paced formats, such as online courses provided through the Intranet-based Computer Learning Center (CLC). These types of online courses are available to employees worldwide and can be designed to include information on various retirement planning topics. Alternative types of formats, such as group seminars, will also be provided to deliver the same or similar information.

At least twice a year, SHROs will host group seminars, fairs or expos, of at least one hour in duration for employees to learn about various retirement-related topics. This information can be made available to regional and field office employees through site visits (i.e., local fairs or group sessions) or via available conferencing technologies. Covered topics will include: TSP, flexible spending accounts, insurance (health, life, dental, vision, long-term care), and the Civil Service retirement systems. In addition, information on other topics outside of the Federal benefits portfolio (e.g., budgeting, estate planning, and managing debt before and after retirement, purchasing a home, and college savings) may be provided if budgetary and appropriate instructor resources are available.

Retirement financial education information will also be provided by OHRM, OPP via a dedicated webpage. The Department, for example, already maintains several websites that

contain various resources and tools that serve to inform employees of important benefits-related information. Website content is typically easy to revise and expand. Websites can also be maintained to deliver information about upcoming seminars, training events, and fairs, as well as bureau SHRO contact lists.

The overall goal of the DOC's strategy is to make the information accessible to all employees, using available technology (e.g., webinars, teleconferencing, and video conferencing). The DOC recognizes that educational delivery methods become more important as Government-wide goals change to increase telework usage. In the future, it may become much more common for employees to work at alternative locations instead of at the customary workplace. As a result, distance learning may become a more important tool for education delivery.

Evaluation

Employee feedback will be used to evaluate the effectiveness of the financial literacy program and outreach activities. At each group counseling event, employees will be provided with a survey to document comments and suggestions for future sessions. Benefits specialists may provide an evaluation form to individual clients following individual counseling sessions, if determined appropriate by the individual SHRO. Typically, surveys are not taken during large special events, such as fairs or expos; however, SHROs may develop and implement new technologies or ideas for these types of events.

OHRM, OPP will examine the feasibility of developing a DOC-wide annual survey that asks specific questions about participation in Federal benefit plans, retirement planning session attendance interest, and whether or not group seminars, individual counseling sessions, fairs or expos tend to have an impact on present or future retirement planning decisions. These types of general surveys can also ask employees for feedback on delivery methods, the information that they have already received, and examples of information that they would like presented at future events or sessions.

Sustainability

The DOC is committed to providing all employees with the information, resources, and tools necessary to plan and prepare for retirement. Through this program, DOC and its five SHROs strive to meet the needs of our employees at the various career intervals. Retirement planning is a career-long process, and during the duration of a career, financial trends and needs change. Therefore, the DOC will monitor, modify, and adapt existing programs, and develop new programs or outreach methods when applicable, based on changing trends and employees' needs.